GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:570
ANSWERED ON:31.08.2001
PRE-MATURE PAYMENTS BY THE FINANCIAL INSTITUTIONS
RAJO SINGH

Will the Minister of FINANCE be pleased to state:

(a) the names of schemes of the Government run Financial Institutions like the UTI, IFCI, ICICI, IDBI and others which have compelled the investors to withdraw their money before its maturity by sending proposals to this effect on their own ignoring the announcements which they had made for these schemes;

(b) If so, whether the permission of the Government had been obtained to resort to such activities; (

(c) If not, the action taken by the Government against them; and

(d) The steps taken by the Government to prevent such activities and safeguard the interest of the investors?

Answer

FINANCE MINISTER (SHRI YASHWANT SINHA)

(a) to (d) : A statement is laid on the table of the House.

Statement referred to in the reply to Lok Sabha Starred Question No. 570 for reply on Friday, the 31st August, 2001 regarding Pre-Mature Payment by the Financial Institutions by Shri Rajo Singh.

a) According to the financial institutions IFCI, ICICI, IDBI, they redeemed some of their bond issues by exercising the early redemption option (call option) before maturity. UTI has intimated that it has terminated three of its schemes before the maturity dates. Details are as under :-

Name of Institution	Name of the Scheme
IFCI	
(i)	IFCI Family Bonds, 1996
ICICI	
(i)	ICICI Multi-option Bonds (issued by erstwhile SCICI in 1996)
(ii)	ICICI Bonds (Ashirwad Deep Discount Bond and Akshay Monthly Income Bond) 1996
IDBI	
(i)	Flexibonds - 1996
(ii)	Flexibonds - 1997
UTI	
(i)	Rajlakshmi Unit Scheme (RUS- 1992)
(ii)	Parents` Gift and Growth Fund Unit Scheme 1987 (PGGF`87)
(iii)	Institutional Investors Special Fund Unit Scheme 1993 (IISFUS`93)

b) The exercise of early redemption option (call option) and early termination of UTI schemes wereprovided for in the respective offer documents, and Government approval was not required.

c) & d) Do not arise.